

AM03

Notice of administrator's proposals



Companies House

For further information, please
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www.gov.uk/companieshouse

1	Company details	
Company number	0 8 9 2 0 7 1 7	→ Filling in this form Please complete in typescript or in bold black capitals.
Company name in full	Drogo Developments Ltd	
2	Administrator's name	
Full forename(s)	Edward M	
Surname	Avery-Gee	
3	Administrator's address	
Building name/number	Greg's Building	
Street	1 Booth Street	
Post town	Manchester	
County/Region		
Postcode	M 2 4 D U	
Country		
4	Administrator's name ①	
Full forename(s)	Daniel	① Other administrator Use this section to tell us about another administrator.
Surname	Richardson	
5	Administrator's address ②	
Building name/number	Greg's Building	② Other administrator Use this section to tell us about another administrator.
Street	1 Booth Street	
Post town	Manchester	
County/Region		
Postcode	M 2 4 D U	
Country		

AM03 Notice of Administrator's Proposals

6 Statement of proposals

☒ I attach a copy of the statement of proposals

7 Qualifying report and administrator's statement ^①

☐ I attach a copy of the qualifying report

☐ I attach a statement of disposal

^① As required by regulation 9(5) of The Administration (Restrictions on Disposal etc. to Connected Persons) Regulations 2021)

8 Sign and date

Administrator's
Signature

Signature

X



X

Signature date

^d

1

^d

8

^m

0

^m

1

^y

2

^y

0

^y

2

^y

3

AM03

Notice of Administrator's Proposals



Presenter information

You do not have to give any contact information, but if you do it will help Companies House if there is a query on the form. The contact information you give will be visible to searchers of the public record.

Contact name **Alison Phillips**

Company name **CG&Co**

Address **Greg's Building**

1 Booth Street

Post town **Manchester**

County/Region

Postcode **M 2 4 D U**

Country

DX

Telephone **0161 358 0210**



Checklist

We may return forms completed incorrectly or with information missing.

Please make sure you have remembered the following:

- ☐ The company name and number match the information held on the public Register.
- ☐ You have attached the required documents.
- ☐ You have signed and dated the form.



Important information

All information on this form will appear on the public record.



Where to send

You may return this form to any Companies House address, however for expediency we advise you to return it to the address below:

The Registrar of Companies, Companies House,
Crown Way, Cardiff, Wales, CF14 3UZ.
DX 33050 Cardiff.



Further information

For further information please see the guidance notes on the website at www.gov.uk/companieshouse or email enquiries@companieshouse.gov.uk

This form is available in an alternative format. Please visit the forms page on the website at www.gov.uk/companieshouse

**Joint Administrators'
Report and Statement of
Proposals Pursuant to
Paragraph 49 of
Schedule B1**

**Drogo Developments Ltd -
In Administration**

13 January 2022

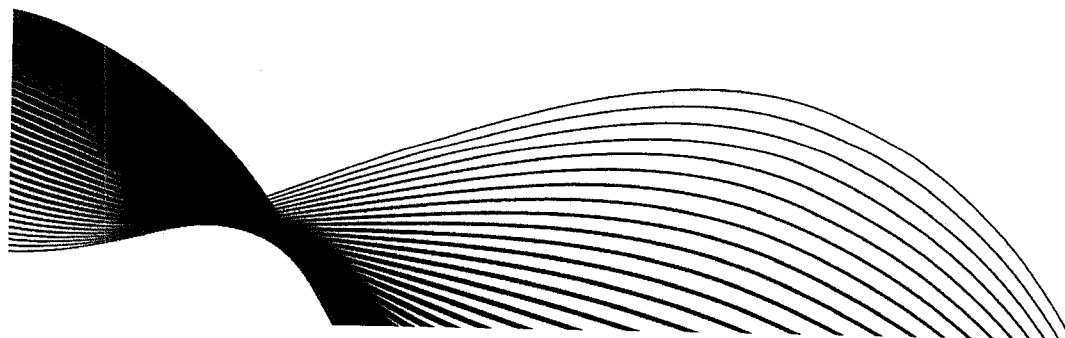


CONTENTS

- 1 Introduction and Background
- 2 Administration Strategy and Objective
- 3 Joint Administrators Receipts and Payments
- 4 Financial Position
- 5 Proposals
- 6 Exit Routes
- 7 Pre-administration Costs
- 8 Joint Administrators Remuneration
- 9 Estimated Outcome
- 10 Proposals approval and next report

APPENDICES

- A Statutory Information
- B Receipts and Payments Account for the Period from 25 November 2022 to 13 January 2023
- C Summary of the Estimated Financial Position of the Company as at 25 November 2022
- D Additional Information in Relation to the Administrators' Fees



1 Introduction and Background

- 1.1 Drogo Developments Ltd ("the Company") was incorporated on 4 March 2014 with William Thompson being appointed as the director. The Company's authorised share capital on incorporation was 1 Ordinary £1 Share with All Saints Developments (NE) Ltd holding 100% of the shares.
- 1.2 On 20 July 2015 Stuart Niven was appointed as a director and subsequently resigned on 15 July 2016. William Thompson also resigned on 6 April 2016 with Gary Forrest being appointed as director on 1 June 2016. Mr Forrest remains the sole director of the Company.
- 1.3 The Company traded as a property developer and specifically purchased the land and developed the site at Denny Road, Larbert, Falkirk, FK5 3NR and the site was developed into 10 residential properties. Nine were sold with the remaining property Plot 14 Denny Road, Larbert, Falkirk, FK5 3NR ("the Property") being the sole house remaining and is a 3 bedroom mews house.
- 1.4 On 1 May 2020, Lowry Capital Limited ("Lowry") granted a Loan Agreement for the principal sum of £188,500 which was secured by a Legal Charge created on 1 May 2020 and delivered to the Registrar of Companies on 4 May 2020.
- 1.5 Lowry was granted a Debenture which contains fixed and floating charges over the Property which includes a personal guarantee from Gary Forrest, it was created on 28 April 2020 and delivered to the Registrar of Companies on 4 May 2020.
- 1.6 In September 2022, the Company engaged Northwood Estate Agents to market the remaining property. An offer was subsequently accepted and a deposit of £500 was paid by the prospective independent purchasers. At the time of the Joint Administrators appointment, no further actions had been taken to progress this offer being accepted. The Administrators were advised following their appointment that the interested party still wanted to proceed with the purchase however wanted to negotiate on the price as the Property had not been completed. Further negotiations have been ongoing with both the prospective purchaser and Lowry in relation to the offer and a sale has been agreed.
- 1.7 The Administrators independent third party solicitors TLT LLP who are regulated and authorised by the Solicitors Regulation Authority have been instructed to prepare draft contracts. No further details can be provided at present in order not to prejudice the sale, further details will be provided in future Progress Reports.
- 1.8 On 8 November 2022, Lowry issued a formal demand, due to non-payment to the Company advising that the loan was in default with the outstanding sum due of £273,130. Within the timescale permitted the Company did not repay the loan in full or provide a realistic repayment plan and as a result, Lowry sought advice from this office on the recovery procedures that were available.
- 1.9 As a result of the discussions, Lowry made the decision to commence with the Administration of the Company. Edward Avery-Gee and Daniel Richardson consented to act as Joint Administrators and the provisions contained within the Notice of Appointment were declared on 24 November 2022 and instructed this office to issue the Notice of Appointment at the High Court of Justice Business and Property Courts in Manchester, Insolvency and Companies List (ChD) on 25 November 2022.

- 1.10 The Notice of Appointment was duly sealed by the court on the 25 November 2022. As a result, Edward M Avery-Gee and Daniel Richardson of CG&Co, Greg's Building, 1 Booth Street, Manchester, M2 4DU were appointed Joint Administrators of the Company by Lowry, the qualifying floating chargeholder on 25 November 2022. The Administrators are authorised to act jointly and severally in the Administration.
- 1.11 A moratorium under Part A1 of the Insolvency Act 1986 has not been in force for the Company at any time within the period of 2 years ending with the day on which the Company entered Administration
- 1.12 Information about the way that we will use and store personal data on insolvency appointments/ can be found at www.cg-recovery.com. If you are unable to download this, please contact us and a hard copy will be provided to you.
- 1.13 This report incorporates the Administrators' statement of proposals made under paragraph 49 of Schedule B1, which will be treated as delivered to creditors on 20 January 2023.

Type of proceedings

- 1.14 The proceedings flowing from the Administration appointment will be COMI proceedings.

2 Administration Strategy and Objective

- 2.1 The Administrators must perform their functions with the purpose of achieving one of the following objectives:
- *Rescuing the Company as a going concern; or*
 - *Achieving a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration); or*
 - *Realising property in order to make a distribution to one or more secured or preferential creditors.*
- 2.2 The Company had insufficient funds to continue to trade. No opportunity for further funds to be available presented itself and a formal demand had been served to the Company by Lowry for repayment of the debt owed in full which the Company could not service. Therefore, the Joint Administrators are unable to achieve the primary objective of rescuing the Company as a going concern. As the Company's sole asset appears to be property, the Joint Administrators are unable to achieve a better result for the Company's creditors as a whole than would be likely if the Company were wound up (without first being in Administration).
- 2.3 The Joint Administrators are therefore pursuing the third objective of administration, namely resiling property in order to make a distribution to one or more secured or preferential creditors.

Consideration of Proposals by Creditors

- 2.4 Under Para 52(1) of Schedule B1 to the Insolvency Act 1986, where an Administrator thinks that:

- (a) The Company has sufficient property to enable each creditor of the Company to be paid in full,*
- (b) The Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part, or*
- (c) The Company cannot be rescued as a going concern, or a better result as a whole than would be likely if the Company were wound up (without first being in Administration) cannot be achieved*

Then the Administrator is not required to seek a decision from the Company's creditors as to whether they approve these Proposals.

In this case the Joint Administrators think that b) - the Company has insufficient property to enable a distribution to be made to the unsecured creditors other than from the Prescribed Part applies and I am therefore not required to seek a decision from creditors to approve my Proposals unless the requisite number of creditors request such a decision within the prescribed period. Please see the covering letter which accompanies this report for further information about this.

Progress Since Appointment

Administration (including statutory compliance and reporting)

- 2.5 Following my appointment, the strategy for the Administration was carefully assessed to ensure that a coherent planned process for the case could be achieved. This work may, where appropriate, have included liaison with solicitors to deal with any legal considerations surrounding the Company's insolvency (such as assessing the validity of any 3rd party security in relation to the assets) and liaising with valuation agents about the most appropriate means of realising the value in the Company's business and assets.
- 2.6 I have also dealt with several statutory formalities which are required of me under related legislation. Typically, this includes issuing and filing all appointment notices with creditors and the Registrar of Companies and advertising my appointment in the London Gazette, together with preparing these proposals to creditors outlining how the purpose of the Administration may be achieved. Correspondence has also been entered into with the Company's pre appointment bankers to seek all bank accounts are frozen and subsequent information be provided.
- 2.7 The Joint Administrators have spent a significant amount of time liaising with the director to obtain the Company's information and records, however as previously advised in this report to date a limited amount of information has been provided. The Joint Administrators have also completed the application for the Joint Administrators bond as required by the Insolvency Practitioners Regulations 2005.
- 2.8 Other statutory duties performed are outlined in further detail in the fees information which can be found at Appendix D. Please note that much of this work will have been performed to comply with statutory requirements and as such may not necessarily add any value to the insolvent estate.

Realisation of assets

- 2.9 Immediately upon appointment insurers were instructed to place the Property on open cover insurance. Sub-contractors were also engaged to ensure that the site was secure which included

but not limited to changing the locks, which has been confirmed, and agents have prepared market appraisals for the Property.

- 2.10 The Administrators have spent a significant amount of time in discussions and liaising with the prospective interested party to negotiate an offer for the Property. This has included written correspondence and telephone conversations; access has also been granted to the Property to enable the prospective purchaser to attend the Property.
- 2.11 In addition, the Company required a Scottish Road Agreement bond which is a financial guarantee provided by a Bondsman to the Adopting Party (Scottish Local Authority) before work can begin on a housing development. This surety bond provides a guarantee to the Scottish Local Authority that the road will be completed to an adoptable standard.
- 2.12 The Administrators have liaised with the Company's pre appointment agents to obtain information supplied by the Company in relation to both the Property and also the Road Bonds.
- 2.13 The work undertaken by the Administrator and his staff to date in realising the Company's assets has been necessary in order to maximise the likelihood of a return to creditors being made. Where assets remain to be realised, these will be dealt with as the Administration progresses and further updates will be provided to creditors in my progress reports.
- 2.14 Further information on the estimated outcome of the Administration can be found in section 9 below.

Creditors

- 2.15 The Joint Administrators have received a number claims from creditors following the statutory advertising of their appointment. Creditor claims will be reviewed and verified in due course.
- 2.16 Since 1 December 2020, claims from preferential creditors now fall into one of two categories, either ordinary (typically involving employee claims and payments made on behalf of the Company by the Redundancy Payments Service following dismissal, which rank equally among themselves), or secondary (which are claims by HMRC for VAT or other relevant tax deductions such as PAYE and employee NIC deductions, together with student loans and CIS deductions, which also rank equally among themselves). Ordinary preferential claims rank ahead of secondary preferential claims and all preferential creditors must be paid in full before any distribution can be made to the unsecured creditors of a company.
- 2.17 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

Investigations

- 2.18 Some of the work the Joint Administrators are required to undertake is to comply with legislation such as Company Directors' Disqualification Act 1986 (CDDA 1986) and Statement of Insolvency Practice 2 – Investigations by Office Holders in Administration and Insolvency Liquidations may

not necessarily bring any financial benefit to creditors, unless these investigations reveal potential asset recoveries that can be pursued for the benefit of creditors.

- 2.19 To date, the Joint Administrators have been hampered in their investigations into the affairs of the Company due to the limited information made available by the director. The Joint Administrators will consider whether it is necessary to take further steps to obtain full co-operation from the director in due course.
- 2.20 The Joint Administrators will also be conducting a full investigation into the transactions entered into by the Company prior to the Joint Administrators being appointed in order to ascertain whether claims should be brought against any other connected or unconnected parties that may give rise to additional recoveries for the estate. These may include, but are not limited to, claims in respect of challengeable antecedent transactions or any other misconduct.
- 2.21 The Joint Administrators' report on the conduct of the directors of the Company to the Department for Business, Energy and Industrial Strategy under the CDDA 1986 has not yet been submitted. It should be noted that the report is confidential

Sale of Assets to Connected Parties

- 2.22 There has been no sale to a connected party.

3 Joint Administrators' Receipts and Payments

- 3.1 A summary of receipts and payments for the Administration period from the date of my appointment to 13 January 2023 is attached at Appendix B.

4 Financial Position

- 4.1 A Statement of the Company's Affairs ("SOA") has not yet been received. The director has not provided the Joint Administrators with an explanation for his failure to deal with this statutory requirement. Attached at Appendix C is a summary of the Estimated Financial Position of the Company as at the date of the appointment, together with a list of creditors names and addresses along with details of their debts (including details of any security held by them). Creditors should note that the estimated financial position is before the costs of the Administration procedure are considered. As the director has not provided the SOA or the books and records the accuracy of the information cannot be verified and the amounts shown in the Estimated Financial Position could differ from the true position.

5 Proposals

- 5.1 It is proposed that the Administrators will continue to manage the affairs of the Company in order to achieve the objective of the Administration. In the circumstances it is proposed that:
- 5.2 The Joint Administrators will continue to proceed with the proposed sale of the Property, however should this sale not complete then, the Joint Administrators will proceed to market the Property.

The Joint Administrators will also continue to liaise with TLT Solicitors in relation to any potential refund of the Road Bonds.

- 5.3 If having realised the assets of the Company, the Administrators think that a distribution will be made to the unsecured creditors from the fund created out of the Company's net floating charge property (known as the **Prescribed Part**) by virtue of section 176A(2)(a), this will be distributed by the Administrators in the Administration and the Company will thereafter proceed to dissolution.
- 5.4 If, however, having realised the assets of the Company the Administrators think that a distribution will be made to the unsecured creditors other than by virtue of section 176A(2)(a) as noted above, they propose filing a notice with the Registrar of Companies which will have the effect of bringing the appointment of the Administrators to an end and will move the Company automatically into Creditors' Voluntary Liquidation (**CVL**) in order that the distribution can be made. In these circumstances, it is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators in the CVL-The acts of the Joint Liquidators may be undertaken by either or both of them.
- 5.5 Court approval is not required to enable the Administrators to make a distribution to the unsecured creditors of the Prescribed Part. If however, a distribution to unsecured creditors not limited to the Prescribed Part is anticipated, the Administrators may consider making an application to Court to seek permission to distribute this in the Administration. If permission is granted, the Company will exit into dissolution once the distribution has been made and the Administration is concluded.
- 5.6 If the Administrators think that the Company has no property which might permit a distribution to its creditors, they will file a notice with the Court and the Registrar of Companies for the dissolution of the Company.
- 5.7 See Section 6 below on **Exit Routes** for further information on the exit routes available from Administration.
- 5.8 The Administrators shall do all such other things and generally exercise all their powers as contained in Schedule 1 of the Insolvency Act 1986, as he considers desirable or expedient to achieve the statutory purpose of the Administration.
- 5.9 If the Administrators consider it necessary to extend the period of the Administration, they will seek the consent of creditors or the approval of the Court to the extension. Creditors may consent to an extension for a period of up to one year and the Court can order that the Administrators' term of office be extended for a specified period determined by it.
- 5.10 The creditors consider establishing a Creditors' Committee and that if any such Committee is formed they be authorised to sanction the basis of the Administrators' remuneration, Category 2 expenses (where charged) and any proposed act on the part of the Administrators without the need to report back to creditors generally, to include any decision regarding the most appropriate exit route from the Administration.
- 5.11 The basis of the Administrators' remuneration may be fixed as one or more of the following bases and different bases may be fixed in respect of different things done by them:

- As a percentage of the value of the assets they have to deal with, or
 - By reference to time properly spent by the Administrators and their staff managing the Administration, or
 - As a set amount
- 5.12 Where no Creditors' Committee is appointed the remuneration and Category 2 expenses of the Administrators shall be fixed by a decision of creditors or where the Administrators think that the Company has insufficient property to enable a distribution to be made to the unsecured creditors (other than via the Prescribed Part), approval will be sought from the secured and (if necessary) the preferential creditors in accordance with insolvency legislation. The Administrators will also seek approval for any unpaid pre-administration costs detailed in this report and their discharge from liability in the same manner.
- 5.13 In this case, the Administrators are seeking to approve the basis of their remuneration as follows, as a percentage of the value of the assets with which the Administrators have to deal with. Further details about the proposed fee basis can be found in Section 8 below and Appendix D.
- 5.14 The Administrators will be discharged from liability under Paragraph 98 of Schedule B1 to the Insolvency Act 1986 immediately upon their appointment as Administrators ceasing to have effect.

6 Exit Routes

- 6.1 All Administrations automatically come to an end after the period of one year, unless the Company's creditors agree to extend this period, or the Court orders the Administrator's term of office be extended for a specified period of time.
- 6.2 At the time of drafting these Proposals I do not believe that an extension to the period of Administration will be necessary, however will confirm the position to creditors in a subsequent progress report in due course. Based on information currently available, the information on the exit route(s) we believe may be appropriate in this Administration are set out below.

Dissolution of the Company

- 6.3 Based on present information, the Joint Administrators think that the Company has insufficient property to permit a distribution to the unsecured creditors and that there may only be a distribution available to the secured and/or preferential creditors of the Company. As a result, once these distributions have been made, a notice will be filed at Court and with the Registrar of Companies with the Administrator's final report, for the dissolution of the Company.
- 6.4 Should a distribution be available to the unsecured creditors from the Prescribed Part by virtue of Section 176A92)(a), this will be distributed in due course within the Administration and a notice will thereafter be filed at Court and with the Registrar of Companies with the Joint Administrators' final report, for the dissolution of the Company.
- 6.5 The Administrators' appointment will end following the registration of the notice by the Registrar of Companies.

Creditors Voluntary Liquidation ("CVL")

- 6.6 Based on present information, the Administrators do not believe the Company will have sufficient property to enable a distribution to the unsecured creditors. However, if sufficient funds are realised and the Joint Administrators are in a position to make a distribution to the unsecured creditors, then the Administrators will be required to either make an application to Court to enable them to make a distribution to the unsecured creditors in the Administration or they will file a notice with the Registrar of Companies in order that the Administration will cease and the Company will move automatically into CVL to facilitate the distribution. It is proposed that the Administrators in office at the date of conversion to CVL will become the Joint Liquidators of the CVL.
- 6.7 It is proposed that the Joint Liquidators will be authorised to act jointly and severally in the subsequent liquidation.
- 6.8 Creditors have the right to nominate an alternative liquidator of their choice. To do this, creditors must make their nomination in writing to the Administrators prior to these proposals being approved. Where this occurs, the Administrators will advise creditors and provide the opportunity to vote. In the absence of a nomination, the Administrators will automatically become the Joint Liquidators of the subsequent CVL.

Compulsory Liquidation

- 6.9 If a move to Creditors' Voluntary Liquidation is not possible because a dividend to the unsecured creditors (other than by virtue of the Prescribed Part) is not anticipated, but the Administrators conclude that an exit into liquidation is appropriate so that further investigations into the Company's affairs may be carried out for example, an application to Court may be made to exit into Compulsory Liquidation instead. If this exit route is appropriate, at this stage it is anticipated (but is not mandatory) that the Administrators will become the Joint Liquidators in the subsequent liquidation.

7 Pre-administration Costs

- 7.1 Pre-administration costs are defined as fees charged, and expenses incurred by the Administrators, or another person qualified to act as an insolvency practitioner before the company entered Administration (but with a view to its doing so), and "unpaid pre-administration costs" are pre-administration costs which had not been paid when the company entered Administration.
- 7.2 I would confirm there are no pre-administration costs in this case, with the exception of the necessary court application fee of £50.

8 Joint Administrators' Remuneration

- 8.1 As Joint Administrators, we are required to provide creditors with details of the work we propose to undertake in the Administration and the expenses we consider will be, or is likely to be, incurred

in dealing with the Company's affairs, prior to determining the basis upon which my remuneration will be fixed.

- 8.2 In addition to this, where Administrators seek agreement to the basis of their remuneration by reference to time properly spent by them and their staff in attending to matters arising in the Administration, a fees estimate outlining the time and estimated cost of the work to be done must also be provided.
- 8.3 In this case, we are not seeking to determine the basis of our remuneration as time properly spent by us and our staff in dealing with the affairs of the Company and we are therefore not, required to provide a fees estimate to creditors. Details of the basis or bases we are proposing, together with information about the work we consider will be necessary in this case and the expenses we consider will, or are likely to be, incurred on this case can be found at Appendix D. Further information on the work done since our appointment to the date of this report, can be found in section 2. Appropriate approval to the basis of our remuneration will be sought as outlined in section 5 of this report.
- 8.4 In circumstances where my initial investigations reveal matters for further detailed investigation or previously unknown assets to be realised, we reserve the right to refer back to creditors to establish how we are to be remunerated for such additional work, which may be proposed on a time cost basis. If such work proves necessary, we will revert to creditors with our fees estimate for approval.
- 8.5 We will provide updates on the expenses we consider will be, or are likely to be, incurred during this case with our progress reports in due course.
- 8.6 A copy of "A Creditors' Guide to Administrators' Fees" is available on request or can be downloaded from [R3 | Technical Library | England & Wales | Guidance | Fees](#). If you would prefer this to be sent to you in hard copy, please contact Alison Phillips of this office on 0161 358 0210.

9 Estimated Outcome

- 9.1 At the present time, an Estimated Outcome Statement is not provided as disclosure of such information could prejudice the position in respect of the sale of the Property.
- 9.2 Based on the Estimated Financial Position of the Company, I comment about the creditors position in general:

Assets

- 9.3 The Company owns the Property at Denny Road, Larbert, Falkirk, FK5 3NR and may be entitled to a potential refund of the Road Bonds prior to the Administrators appointment. The likely amount of this Road Bond is not currently known.
- 9.4 As detailed earlier in this report, an interested party made an initial offer to purchase the Property, however no sale completed. Since the Administrators appointment further negotiations were entered into with the interested party and a revised offer has subsequently been accepted and is progressing. No amounts are being included at this stage so as not to prejudice the position.

- 9.5 The only other known asset is the Cash at Bank in the sum of £439 which has already been submitted to the Administrators Estate Account. There are no other known assets of the Company.

Liabilities

Secured Creditors

- 9.6 Lowry hold a debenture containing fixed and floating charges, which was created on 28 April 2020 and delivered to the Registrar of Companies on 4 May 2020. Lowry also holds a legal mortgage over the Property, which was created on 1 May 2020 and delivered on 4 May 2020.
- 9.7 The Company granted a floating charge to Lowry on 4 May 2020. Accordingly, the Joint Administrators are required to create a fund out of the Company's net floating charge property for the benefit of unsecured creditors (known as the **Prescribed Part**).
- 9.8 Based on present information, it is estimated that the value of the Company's net floating charge property is nil, as it does not appear that the Company owns any property which would be subject to a floating charge. Accordingly, the value of the Prescribed Part is £Nil. Please be aware that the value of this fund is likely to fluctuate during the course of the Administration and further updates will be provided in our progress reports in due course. Accordingly, the Joint Administrators do not propose making an application under S176A (5) of the Insolvency Act 1986.
- 9.9 As at the date of their demand to the Company, Lowry were owed £273,231 plus accruing interest and charges.

Preferential Creditors

- 9.10 There are no known ordinary preferential creditors in this matter and no claims of this nature are anticipated.
- 9.11 As of 1 December 2020, as per Section 386 and Schedule 6 of the Insolvency Act 1986, HMRC will acquire secondary preferential status, where an insolvency entity owed VAT, PAYE income tax, Employees NICs or Construction Industry Scheme deductions.
- 9.12 It is understood that there are no secondary preferential liabilities due to HMRC.

Unsecured Creditors

- 9.13 The director is yet to provide an estimated statements of affairs and information regarding the Company's indebtedness is currently limited.
- 9.14 To date, three unsecured creditor claims have been received in the Administration. These claims relate to monies owed to other residents of the development which appear to have occurred prior to the Joint Administrators appointment.
- 9.15 Work undertaken by an Administrator in dealing with a company's creditors may only therefore bring a financial benefit to certain classes of creditor such as a secured creditor or the preferential creditors, however an Administrator is required by statute to undertake this work. Similarly, if a distribution is to be paid to any class of creditor, work will be required to agree those claims and



process the dividend payments to each relevant class of creditor. The more creditors a company has, the more time and cost will be involved by the Administrator in dealing with those claims.

10 Proposals approval and next report

- 10.1 As I think the Company has insufficient property to enable it to make a distribution to its unsecured creditors (other than a potential distribution of the prescribed part fund of any net floating charge property), I am not required to seek a decision from the unsecured creditors on the approval of my Proposals.
- 10.2 The Administrators are required to provide a progress report within one month of the end of the first six months of the Administration and we will report to you again at this time.

For and on behalf of
Drogo Developments Ltd



E M Avery-Gee
Joint Administrator

Enc

Appendix A - Statutory Information

1 Company information

Company name	Drogo Developments Ltd
Trading name(s)	None
Registered number	08920717
Registered office address	C/o CG & Co, Greg's Building, 1 Booth Street Manchester M2 4DU
Former registered office address	6th Floor Stockbridge House Newcastle Upon Tyne NE1 2HJ
Trading address(s)	6th Floor Stockbridge House Newcastle Upon Tyne NE1 2HJ
Court details	High Court of Justice, Business and Property Courts in Manchester, Insolvency & Companies Lst (Chd)
Court reference number	CR2022MAN-001101

2 Details of the Company's Directors, Secretary and Shareholdings

	Date appointed	Date resigned	Shares held
Directors			
Gary Forrest	1 June 2016	N/A	Nil
Stuart Niven	20 July 2015	15 July 2016	Nil
William Thompson	4 March 2014	6 April 2016	Nil
Secretary	None		

3 Joint Administrators' Details

Name of Administrators	Edward M Avery-Gee	Daniel Richardson
Address	Greg's Building 1 Booth Street Manchester M2 4DU	Greg's Building 1 Booth Street Manchester M2 4DU
Telephone Number	0161 358 0210	0161 358 0210
Administrator's IP Number	12410	12650
Authorising Body	ICAEW	ICAEW
Date of Appointment	25 November 2022	25 November 2022

Appendix B

Receipts and Payments Account for the Period from 25 November 2022 to 13 January 2023

Drogo Developments Ltd (In Administration) Joint Administrators' Summary of Receipts & Payments To 13/01/2023			
S of A £		£	£
Uncertain	SECURED ASSETS Freehold Land & Property	NIL	NIL
(273,130.70)	SECURED CREDITORS Lowry Capital Limited	NIL	NIL
	ASSET REALISATIONS Cash at Bank	439.58	439.58
	COST OF REALISATIONS Specific Bond	50.00	
	Court fee	50.00	
	Statutory Advertising	82.00	(182.00)
(100.00)	DISTRIBUTIONS Ordinary Shareholders	NIL	NIL
(273,230.70)			257.58
	REPRESENTED BY Vat Receivable		16.40
	Client		439.58
	Office		(198.40)
			257.58



Appendix C

Summary of the Estimated Financial Position of the Company as at 25 November 2022

	Book Value £	Estimated to realise £	£
ASSETS			
The Property at Denny Road, Larbert	Uncertain	Uncertain	
Potential Road Bond Refund	Uncertain	Uncertain	
Lowry Capital Ltd		(273,230)	
Deficiency carried down			Uncertain
LIABILITIES			
PREFERENTIAL CREDITORS:-			
N/A		NIL	NIL
SECOND PREFERENTIAL CREDITORS:-			
N/A		NIL	NIL
DEBTS SECURED BY FLOATING CHARGES PRE 15 SEPTEMBER 2003			
OTHER PRE 15 SEPTEMBER 2003 FLOATING CHARGE CREDITORS		NIL	NIL
Estimated prescribed part of net property where applicable (to carry forward)		NIL	NIL
DEBTS SECURED BY FLOATING CHARGES POST 14 SEPTEMBER 2003			
Lowry Capital Ltd		Uncertain	Uncertain
Estimated prescribed part of net property where applicable (brought down)			<u>NIL</u>
			NIL
Unsecured creditor claims (excluding any shortfall to floating charge holders)			
Trade & Expense Creditors		Uncertain	
Estimated deficiency/surplus as regards non-preferential creditors (excluding any shortfall in respect of F.C's post 14 September 2003)			Uncertain
Estimated deficiency to floating charge			Uncertain
Issued and called up capital			
Ordinary Shareholders		100.00	
TOTAL SURPLUS/(DEFICIENCY)			<u><u>100.00</u></u> <u>Uncertain</u>

Creditors Name	Address 1	Address 2	Address 3	Address 4	Address 5	Amount Owed
Jen and Calum Forsyth						£1.00
Safra Mews Management Committee	2/c 15 Safra Mews					£1.00
Lovvy Capital Limited	First Floor	Ezer Point	Three Acres Lane	Cheadle Hulme	SK6 6PL	£273,133.70
Angela and Over Paterson						£1.00
						£273,133.70

Appendix D

Additional Information in Relation to the Joint Administrators' Fees, Expenses & the use of Subcontractors

Fee Basis and Proposed Expenses

The Administrators are seeking to agree the basis of their remuneration in this case as a percentage of the value of property which he has to deal with. Information about the work done to date can be found in the body of the Administrators' Report and Statement of Proposals at Section 2.

As a percentage fee is being sought in this case, the Administrators' fee information attached to this report provides further details about the basis being proposed and the work the Administrators anticipate at this stage, having to carry out.

The fees information provided is based on information about the Company's affairs available to the Administrators at the present time. Should any matters arise which impact on the proposed remuneration basis, such as additional investigatory matters or potential realisable assets, further time or cost may be incurred, and it may be necessary to revise the Administrators' estimate of costs.

In this case, I do not currently anticipate that it will be necessary to seek further approval to increase the level of the fees proposed.

Also included within the fees information attached are details about the Administrators' anticipated expenses, which includes any **Category 1 expenses**, which generally comprise of external supplies of incidental services specifically identifiable to the case and do not require prior creditor approval to be paid. The information about expenses also outlines any **Category 2 expenses** charged by this firm which do require prior approval by creditors and are costs which are directly referable to the appointment but are not payments to an independent third party and may therefore include payments to associates of the Administrators or shared or allocated costs that can be allocated to the appointment on a proper and reasonable basis.

Category 1 expenses

The following Category 1 expenses are currently anticipated on this assignment:

<i>Expense</i>	<i>Basis of remuneration/cost</i>	<i>Service to be provided</i>	<i>Estimated cost</i>
Agent's fees & expenses	% of realisations	Market Appraisal, advice on offer received	£5,000.00
Insurance	Variable depending on duration of cover	Asset insurance	£2,000.00
Legal fees & expenses	Time costs plus disbursements	Drafting sale agreement for the sale of the Property and assistance with the potential Road Bond refund.	£12,000.00
Statutory advertising	Fixed cost	Statutory advertising in London Gazette (if other, state)	£100.00
Specific Penalty Bond	Fixed cost	Statutory bond required in all insolvency appointments for each office holder appointed	£50.00

Staff Allocation and the use of Subcontractors

The general approach to resourcing our assignments is to allocate staff with the skills and experience to meet the specific requirements of the case.

The constitution of the case team will usually consist of a Partner, a Manager, and an Administrator or Assistant. The exact constitution of the case team will depend on the anticipated size and complexity of the assignment and the experience requirements of the assignment.

On this case we have used, or anticipate using, the services of the following subcontractors. It is considered that the cost of subcontracting this work to specialist contractors will be less than, or equivalent to, the cost of these services being undertaken by the office holder(s) or their staff and the outsourcing of this work will bring greater efficiency to this element of the work necessary in the liquidation.

Service (s)	Provider	Work to be done	Basis of fee arrangement	Cost to date £	Anticipated total cost £
Site Security	Humphrey & Gray Ltd	Security review and possession of the property	Fixed costs	365.00	1,000.00

Professional Advisors

On this assignment we have used, or are proposing to use, the professional advisors listed below. We have also indicated alongside, the basis of our fee arrangement with them, which is subject to review on a regular basis.

Name of Professional Advisor	Basis of Fee Arrangement
TLT Solicitors (legal advice)	Time costs plus disbursements
Insolvency Risk Services (insurance)	Premium based on risk

Our choice was based on our perception of their experience and ability to perform this type of work, the complexity and nature of the assignment and the basis of our fee arrangement with them.